

## Message Text

UNCLASSIFIED

PAGE 01 STATE 044982

12

ORIGIN COME-00

INFO OCT-01 EUR-06 ISO-00 EB-05 RSC-01 /013 R

66650

DRAFTED BY: COM/BIC/OIM/SAD:FECROSLEY

APPROVED BY: EB/OCA/REP:LHPOMEROY

COM/BIC/OIM/SAD:BRYNO

EB/EWT:SHAAS

EUR/EE:EESEGALL

COM/BEWT/EEA:JATREICHEL

TPD/BEWT:RPRICE

EB/OCA/BR:JBMCLAUGHLIN

----- 011597

R 062115Z MAR 74

FM SECSTATE WASHDC

TO AMEMBASSY BUDAPEST

UNCLAS STATE 044982

E.O. 11652: N/A

TAGS: BEXP, HU

SUBJ: EXECUTIVE LEVEL TRADE MISSION: INGERSOLL-RAND AND  
UNIVERSAL OIL PRODUCTS

1. FOLLOWING NARRATIVE FORMS BASIS OF AMBASSADORIAL  
LETTER FOR INGERSOLL-RAND COMPANY EXECUTIVE VICE  
PRESIDENT WILLIAM A. MACKIE OF WOODCLIFF LAKE, NEW  
JERSEY 07675. MACKIE SEEKS APPOINTMENTS WITH NIKEX AND  
CHEMOKOMPLEX AND FOLLOWING MISTERS AND ENTERPRISE LEADERS:  
ELECTRIC POWER, MINING, CHEMICAL AND PETROCHEMICAL INCLUDING  
OIL AND GAS PIPELINES. MR. MACKIE IS TENTATIVELY SCHEDULED FOR  
APPOINTMENT APRIL 18 AND 19, 1974. TEXT: INGERSOLL-RAND  
COMPANY WAS ESTABLISHED IN 1871 AND TODAY MANUFACTURES,  
SELLS, AND SERVICES MACHINERY USED IN VIRTUALLY EVERY  
INDUSTRY. PRODUCTS INCLUDE STATIONARY AND PORTABLE AIR  
COMPRESSORS, PUMPS, ROCK DRILLS, PROCESS COMPRESSORS,  
ANTI-FRICTION BEARINGS, COAL MINING EQUIPMENT, GAS  
TURBINES, AIR AND ELECTRIC TOOLS, PLASTIC MOLDING EQUIP-  
MENT, POLLUTION CONTROL EQUIPMENT, PUMP PROCESSING  
UNCLASSIFIED

UNCLASSIFIED

PAGE 02 STATE 044982

MACHINERY, INDUSTRIAL NEEDLES, STEAM CONDENSERS, AND

VIBRATORY COMPACTORS.

(B) SALES EXCEEDED \$1 BILLION IN 1973. APPROXIMATELY 37 PERCENT OF THESE SALES WERE OUTSIDE OF THE UNITED STATES. I-R OPERATES A TOTAL OF 72 PLANTS WORLDWIDE, OF WHICH 44 ARE IN THE UNITED STATES AND 28 ARE OUTSIDE OF THE UNITED STATES. THEY ARE DOING BUSINESS IN 149 COUNTRIES AND EMPLOY 38,000 PEOPLE.

(C) DURING OUR MISSION TO HUNGARY, THEY WISH TO PROMOTE INDUSTRIAL AND PROCESS COMPRESSORS AND PUMPS, PLASTIC MOLDING EQUIPMENT, PUMP PROCESSING MACHINERY, PORTABLE AND STATIONARY AIR COMPRESSORS, ROCK DRILLING EQUIPMENT, VIBRATORY COMPACTORS, RAISE BORING EQUIPMENT, AND AIR AND ELECTRIC TOOLS.

(D) THEY ARE PRIMARILY SEEKING DIRECT SALES AND/OR AGENCY DISTRIBUTORSHIP ARRANGEMENTS, AND ARE WILLING TO DISCUSS THE POSSIBILITY OF JOINT VENTURES AND LICENSING. END TEXT.

2. FOLLOWING PERTAINS TO WARREN R. SEDLACEK, VICE PRESIDENT, UOP PROCESSES INTERNATIONAL, INC., 20 UOP PLAZA, DES PLAINES, ILLINOIS 60016. MR. SEDLACEK IS SCHEDULED TENTATIVELY FOR APRIL 18 AND 19, 1974. SPECIFIC INDIVIDUALS OR ORGANIZATIONS WITH WHOM UOP WISHES TO MEET: (A) HUNGARIAN OIL AND GAS TRUST, CZAKO U. 13, BUDAPEST 1, HUNGARY, DR. PAL SIMON, GENERAL MANAGER, PROF. DR. LASZLO VAJTA, DEPUTY GENERAL MANAGER; (B) NEFTOCHIM (REFINERY), DUNAI KOOLAJIPARI VALLALAT, SZAZHALOMBATT 3 PF 1, HUNGARY, ING. BELA PECELI, GENERAL MANAGER, ING. KAROLY CZERHATI, CHIEF ENGINEER; (C) HIGH PRESSURE RESEARCH INSTITUTE, (NAGYNYOMASU KISERLETI INTEZET), GELLERT TERRACE 3, BUDAPEST XI, HUNGARY, DR. ING. J. KAROLYI, DIRECTOR, DR. P. STEINGASZNER, CHEMICAL DEPT.; (D) OLEJTERV, PROJECT BUREAU FOR THE OIL AND GAS INDUSTRY, SZAMUELY U. 30-32, BUDAPEST 1093 - IX HUNGARY, DR. ING. T. GARAI, MANAGING DIRECTOR, ING. ISTVAN AIXINGER, TECHNICAL DIRECTOR; (E) CHEMOKOMPLEX, NEPKOZIARSASAG UTJA. 60, BUDAPEST 62, HUNGARY, MR. PAL SZAKAL, DEPUTY GENERAL MANAGER, MR. ISTVAN GAZDA, DEPUTY CHIEF MAIN DEPARTMENT, UNCLASSIFIED

UNCLASSIFIED

PAGE 03 STATE 044982

MR. URSZU, COMMERCIAL MANAGER, MR. PETER SZABO, MANAGER; (F) HUNGARIAN CHEMICAL INDUSTRY ENGINEERING CENTRE, P.O. BOX 125, BUDAPEST 70, HUNGARY, MR. G.B. KOVATS, MANAGER; (G) TISZAI FINOMITO (TIFO), ADDRESS UNKNOWN. TEXT: UNIVERSAL OIL PRODUCTS COMPANY BEGAN IN 1914 WHEN THE NATIONAL HYDROCARBON COMPANY, A PREDECESSOR COMPANY, WAS FORMED TO ACQUIRE THE EXISTING PATENTS AND PATENT APPLICATIONS OF JESSE A. DUBBS, WHO HAD DEVELOPED A

REVOLUTIONARY METHOD OF CONTINUOUS PROCESSING OF HEAVY OILS TO MAKE GASOLINE USING A "CLEAN CIRCULATION" PRINCIPLE.

(B) IN 1931 UOP WAS SOLD TO SOME OF ITS LARGEST CUSTOMERS-- OIL CUSTOMERS PAYING ROYALTIES FOR USE OF NUMEROUS UOP- DEVELOPED REFINING PROCESSES. IN 1944 THESE OWNERS, FOR VARIOUS REASONS, PLACED THEIR HOLDINGS IN A CHARITABLE TRUST--THE PETROLEUM RESEARCH FUND, BENEFICIARY OF WHICH WAS THE AMERICAN CHEMICAL SOCIETY. TO DIVERSIFY THE FUND'S PORTFOLIO AND BROADEN ITS INVESTMENT PROGRAM, ITS HOLDINGS IN UOP WERE SOLD TO THE PUBLIC IN 1959.

(C) BEGINNING IN 1960, UOP, WAS A PUBLICLY-OWNED COMPANY BEGAN AN ACQUISITION PROGRAM OF SUPPLIERS TO INDUSTRIES WITH CLEARLY-DEFINED GROWTH PATTERNS, SUCH AS ENERGY, ENVIRONMENTAL CONTROL, CHEMICALS AND PLASTICS, FRAGRANCES AND FLAVORS, ELECTRONICS AND TRANSPORTATION EQUIPMENT.

(D) TODAY UOP IS A DIVERSIFIED, INTERNATIONAL ORGANIZATION WITH MORE THAN 12,000 EMPLOYEES. PRODUCTION FACILITIES OF ITS DIVISIONS, SUBSIDIARIES AND AFFILIATES ARE LOCATED IN 16 COUNTRIES WHILE A NETWORK OF SALES OFFICES EXTENDS THROUGHOUT THE WORLD.

(E) ITS ABILITY TO TURN LABORATORY RESEARCH AND DEVELOPMENT WORK INTO COMMERCIAL PRODUCTS AND SERVICES MAKE IT A WORLD LEADER IN A NUMBER OF FIELDS. IT HOLDS ABOUT 10,000 PATENTS WORLDWIDE AND HAS YEARLY GROSS REVENUES OF APPROXIMATELY \$700,000,000.

(F) FOR THIS MISSION, THE PRINCIPLE ITEMS WHICH UOP WISHES TO PROMOTE ARE THE PETROLEUM AND PETROCHEMICAL PROCESSES OF THE PROCESS DIVISION. THESE PROCESSES HAVE BEEN LICENSED TO A VERY HIGH PROPORTION OF THE PETROLEUM REFINING AND PETROCHEMICAL COMPANIES IN THE WORLD. IN ADDITION TO THIS, UNCLASSIFIED

UNCLASSIFIED

PAGE 04 STATE 044982

THEY WILL BE GLAD TO TAKE INQUIRIES AND PROVIDE GENERAL INFORMATION WITH RESPECT TO THE ACTIVITIES OF OUR MANY OTHER DIVISIONS.

(G) WITH REGARD TO THE MANNER IN WHICH UOP PREFERS TO DO BUSINESS IN HUNGARY, THEY MAINTAIN A FLEXIBLE ATTITUDE AND WILL BE GLAD TO DISCUSS THIS MATTER WHILE IN HUNGARY. END TEXT KISSINGER

UNCLASSIFIED

NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 06 MAR 1974  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** n/a  
**Disposition Approved on Date:**  
**Disposition Authority:** n/a  
**Disposition Case Number:** n/a  
**Disposition Comment:**  
**Disposition Date:** 01 JAN 1960  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1974STATE044982  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** COM/BIC/OIM/SAD:FECROSLEY  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** n/a  
**From:** STATE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1974/newtext/t19740363/aaaacgqh.tel  
**Line Count:** 162  
**Locator:** TEXT ON-LINE  
**Office:** ORIGIN COME  
**Original Classification:** UNCLASSIFIED  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 3  
**Previous Channel Indicators:**  
**Previous Classification:** n/a  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** martinml  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 12 JUL 2002  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <12 JUL 2002 by elbezefj>; APPROVED <04 DEC 2002 by martinml>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** EXECUTIVE LEVEL TRADE MISSION: INGERSOLL-RAND AND UNIVERSAL OIL PRODUCTS  
**TAGS:** BEXP, HU  
**To:** BUDAPEST  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005